

Safety Maintenance Account
through month of February 2020
(Fiscal Year — July 1, 2019 to June 30, 2020)

	Fiscal Year 2019-20		Fiscal Year 2018-19	All Activity Since Act 40 Inception (1)
	Month of February	Fiscal Year Year to Date	Fiscal Year Total	
Beginning balance.....	\$ 1,696,617	\$ 9,784,128	\$ 16,507,090	\$ —
<u>Receipts</u>				
Out of state registration fees (4).....	1,693,250	12,970,620	20,072,347	49,499,178
Transfer from IMTF to cover shortfall (2).....	—	45,042,900	12,751,399	57,794,299
Investment earnings on SMA balances.....	46,241	638,460	453,292	1,142,631
Total Receipts.....	1,739,491	58,651,980	33,277,038	108,436,108
<u>Disbursements</u>				
Transfer to Department of Revenue to fund anticipated Preventative Maintenance Tax Credits (3).....	—	(65,000,000)	(40,000,000)	(105,000,000)
Ending balance.....	\$ 3,436,108	\$ 3,436,108	\$ 9,784,128	\$ 3,436,108

- (1) Act 40 — the South Carolina Infrastructure and Economic Development Reform Act — became effective July 1, 2017. Act 40 established the Safety Maintenance Account (SMA). The Act restricted the use of SMA receipts to fund state individual income tax credits for preventative maintenance costs incurred on private passenger vehicles. The registration fees deposited into the SMA are derived from vehicles originally registered in another state and then subsequently registered in South Carolina.
- (2) For FY2018-19, funds accumulated in the SMA were insufficient to fund \$40 million of anticipated Preventative Maintenance Tax Credits for the 2018 tax year that had been estimated by the S.C. Revenue and Fiscal Affairs Office. As a result, in January 2019, the Infrastructure Maintenance Trust Fund (IMTF) transferred \$12,751,399 to the SMA to cover the projected shortfall as authorized by a budget proviso.
- Likewise for FY2019-20, funds accumulated in the SMA were insufficient to fund \$65 million of anticipated Preventative Maintenance Tax Credits for the 2019 tax year that had been estimated by the S.C. Revenue and Fiscal Affairs Office. As a result, in December 2019, the Infrastructure Maintenance Trust Fund (IMTF) transferred \$45,042,900 to the SMA to cover the projected shortfall as authorized by a budget proviso.
- (3) The SMA transferred \$40 million in January 2019 and \$65 million in December 2019 to the S.C. Department of Revenue (SCDOR) to fund anticipated Preventative Maintenance Tax Credits for the 2018 and 2019 tax years based upon estimates by the S.C. Revenue and Fiscal Affairs Office.
- (4) SCDMV reports its collection of these fees on a one month delay.